

~~SECRET - EYES ONLY~~

18 November 1959

MEMORANDUM FOR THE RECORD

SUBJECT: Resume of OCB Luncheon Meeting, 18 November 1959

PRESENT: Mr. Allen, Mr. Dulles, Mr. Gates, Mr. Harr,
Mr. Reinhardt, Mr. Saccio, Mr. Scribner, Mr. Smith

1. Pan American Interest in LACSA

Mr. Dulles reported that Roger Lewis of Pan American Airways had approached him for an opinion as to whether the U.S. Government would object to Pan American's liquidating its one-third financial interest in LACSA, the Costa Rica airline. Mr. Lewis had pointed out that several years ago the Civil Aeronautics Board was trying to induce PAA to divest itself of its LACSA interest. State and Defense had behind the scenes, and with CIA support, interceded with the CAB on the grounds of national interests. As a result of this intercession they had been allowed to retain their equity. It had now proved economically desirable for the company to sell the LACSA shares and they had a prospective buyer in the form of a group of private Costa Rican citizens. PAA believed that these individuals were legitimate investors and were not fronting for anyone else.

Mr. Reinhardt agreed to explore this matter within State to see whether there would be any objection to PAA's proposed plan.

2. Soviet Economy

Mr. Harr again referred to the DCI's testimony before the Congressional committee on Soviet economy. Mr. Dulles said that we are continuing to follow the proceedings of the Congressional Committee closely, and that the papers presented by other individuals had proved to be interesting. He said that in his view the committee had a serious and a non-political purpose.

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Mr. Dulles then informed the Board that the statement contained in Khrushchev's latest speech to the effect that one factory had produced 250 missiles in the past year undoubtedly referred to intermediate-range weapons. He said that it appeared that the intended implication might have been that these were ICBMs, but that this would not be believable. He said on the other hand that the claim might well be true for weapons in the range of 700 miles or slightly more.

4. Motion Picture "On the Beach"

Following up last week's discussion, Mr. Allen asked the Board's opinion of whether this movie should be placed on the list of those to be exchanged with the Soviets. After some discussion it developed that the consensus was that the U.S. should not go out of its way to offer this particular movie to the Soviets, but that if they ask for it we should take no steps to block it, on the grounds that such action would only serve to call further attention to this controversial production.

5. Moroccan Bases

Mr. Harr inquired about the current status of base negotiations in Morocco. Mr. Reinhardt referred to a recent cable from Ambassador Yost which outlined a suggested position to take with the Moroccans. In this connection, Mr. Dulles suggested that the final agreement should, for our own protection, contain a clause providing that we should have a full year's notice from the Moroccans before any final action on evacuation took place. This struck the Board as a good idea.

*so as to make it
easier for the Moroccans
to change their mind*

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Allen W. Dulles
ALLEN W. DULLES
Director

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